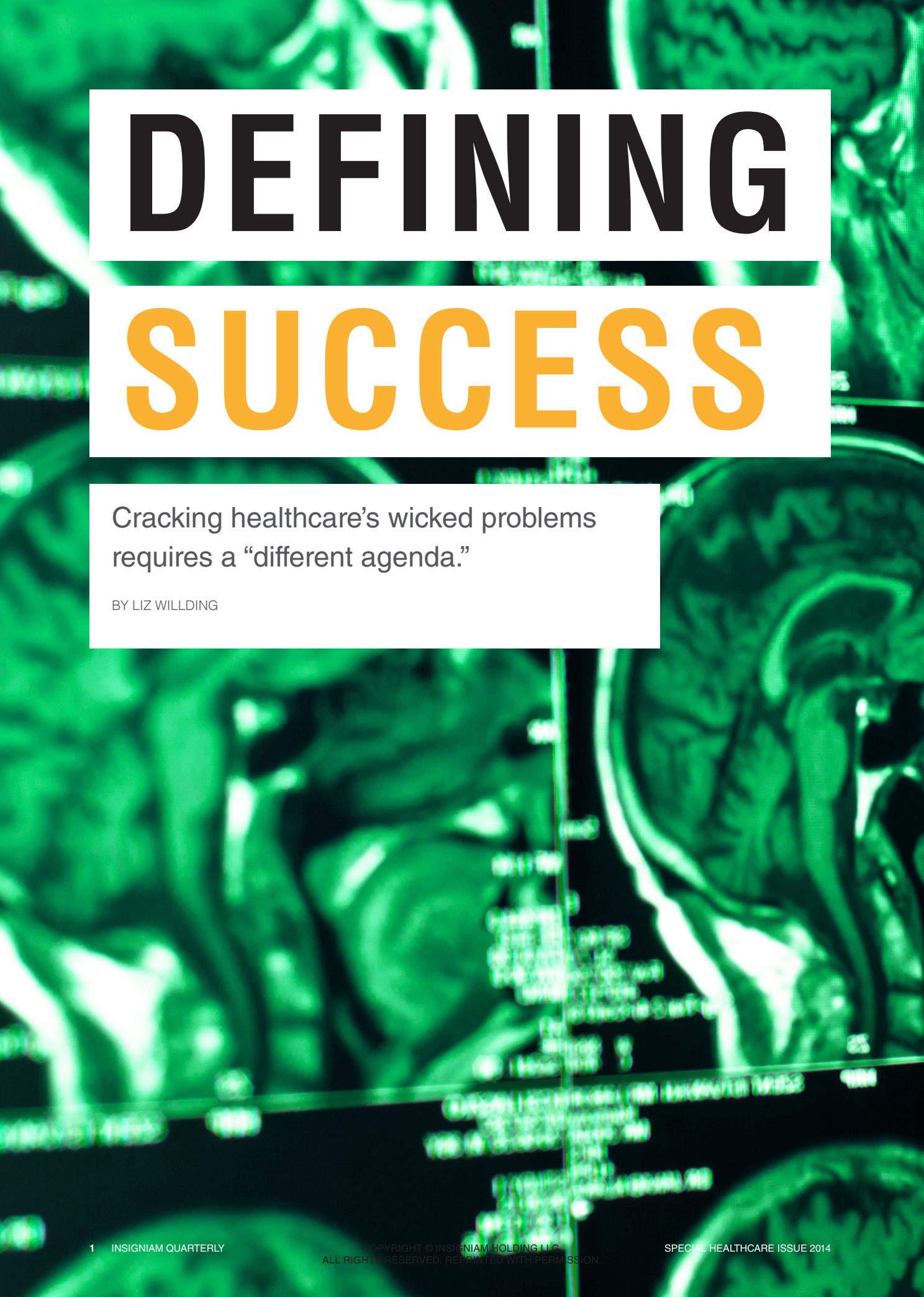

DEFINING SUCCESS

Cracking healthcare's wicked problems requires a "different agenda."

BY LIZ WILLDING

INSIGNIAM HEALTHCARE OVERVIEW

When Horst Rittel and Melvin M. Webber coined the concept of wicked problems in 1973, they were largely talking about policy issues — however they might as well have been referring to modern healthcare.

In every respect, today's global healthcare challenges fit the definition of a wicked problem, essentially a moving target that is difficult, if not impossible, to solve (see the 10 characteristics of wicked problems in the accompanying sidebar).

At Insigniam, we believe a number of disruptive forces are in play today that indeed make healthcare a wicked nut to crack. Most healthcare executives are well aware of the challenges, which start with shifting demographics resulting in a predicted tsunami of older, more diverse patients with chronic noncommunicable diseases. (NCDs). To counter this, the industry is logically shifting to population health, which demands a focus on wellness and value versus the old volumes-based model to treat illnesses. While there is no dispute that technology — from electronic health records to a plethora of digital health tools — is proving to be a big part of the solution, implementation is arduous and costly, and the real gains expected from integration are still on the horizon. Factor in increasingly involved patients who want to know where their money is going, and it is enough to make any healthcare executive's head spin. Then there's projected provider shortages, increased regulation, and shrinking access to capital to contend with.

While all of this may seem daunting and truly wicked, we suggest that focusing on a handful of critical success factors can facilitate reinvention and innovation despite today's chaotic healthcare environment. The process begins by asking hard yet provocative questions. "What are the key variables that leaders should have on their radar as they attempt to reinvent healthcare? What will it take, as an industry, to turn today's enormous healthcare 'cruise liner' in the direction of wellness? How will technology help enable patients as they assume more responsibility for their own care?" While there are no easy answers, *Insigniam Quarterly* turned to a number of industry experts for context and insight into critical success factors for 10 of the top issues facing the healthcare industry for 2014 and beyond.

GLOBAL TRENDS

In the landmark study "Global Burden of Disease, 2010," healthcare leaders viewed a snapshot of key demographic changes that are fundamentally changing healthcare delivery. The study documented that global life expectancy for males and females had risen more than 10 years from 1970 to 2010, reaching a global average of 67.6 and 73.3, respectively. Even more revealing, more deaths occurred globally at 70 years of age or older, with 22.9 percent, almost a quarter, occurring at 80 years or older.

In contrast, the study noted that deaths from noncommunicable diseases eclipsed those of infectious diseases during the same time period, killing more than 35 million people

yearly — accounting for nearly two-thirds of the world's deaths. Why? According to the World Health Organization (WHO), it's a matter of priorities. In its "2008-2013 Action Plan for the Global Strategy for the Prevention and Control of Noncommunicable Diseases," WHO reported that "NCD prevention and control programs remain dramatically underfunded at the national and global levels," and noted that NCD prevention was "currently absent from the Millennium Development Goals," established by the United Nations with a target date of 2015. If allowed to go unchecked, the report estimates that NCDs will increase by 17 percent over the next 10 years.

While "increased longevity represents success against infectious diseases," says Roger I. Glass, M.D., Ph.D., director of the Fogarty International Center at the National Institutes of Health (NIH), the pendulum has clearly swung in the other direction. "What are we going to do with our aging populations who are suffering from diabetes, heart disease, cancer, and other noncommunicable conditions? It suggests a completely different agenda."

The irony is that the vast majority of NCDs are preventable and could be reduced or eliminated through increased patient support. In this sense, Dr. Glass says it is time that preventive programs aimed at addressing lifestyle issues catch up with scientific advances. According to WHO, up to 80 percent of heart disease, stroke, and Type 2 diabetes, and more than a third of cancers, could be prevented by eliminating shared risk factors, which include tobacco use, unhealthy diet, physical inactivity, and harmful use of alcohol.

"The issues are the same worldwide," says Elizabeth H. Bradley, Ph.D., who is faculty director of the Yale Global Health Leadership Institute. "The big question is whether reimbursements based on services related to treating illness versus funding preventive programs will keep up with the demographic and epidemiological shifts resulting from an aging population and the epidemic of obesity," which contributes to NCDs.

In the U.S. alone, she notes that one-third of the population is obese, with the cost of care per patient estimated at approximately $5,000 more per year than nonobese patients. "This is very taxing to medical systems and executives who are looking at the long run and struggling to deal with it."

TURNING THE SHIP

While reinventing healthcare is indeed a wicked problem, a number of demonstrated critical factors can provide healthcare executives with a path toward an elevated likelihood of success.

"The process starts and ends with having the patient's best interests in mind," says Dr. Bradley. "You have to frame your products and services so customers really want to come to you. It boils down to putting the customer first." This means looking at problems through the patient's eyes, becoming a partner in their care. It is everything from reducing wait times and billing errors to supporting them with wellness programs to achieve lifestyle changes.

Adds Douglas L. Wood, M.D., director of the Center for Innovation at the Mayo Clinic, it is important to approach any problem in the context of "transforming the way people experience health and healthcare." He notes that "understanding why people do what they do," is the starting point. "First, people don't often seek care due to the deep fear of the complexity of the cost, and because they don't feel we are listening to their needs. We need to understand their reasons."

As organizations seek to innovate and reinvent themselves, they should also be cautious not to rely on a cookie-cutter approach, says Nathan Owen Rosenberg, Insigniam founding partner. "It is a big mistake to copy what other enterprises have done to innovate. The success we see in designing new methods for value and access for patients are successful because they have been invented — not merely copied. Sustained

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innovation requires a leadership mandate for innovation, proprietary innovation processes, and an infrastructure that plays to the strengths and ambitions of your enterprise. And, of course, unless changes are supported by the exisiting culture they are rarely sustained long term."

Ensuring that the revenue cycle is running like a well-oiled machine is another key variable, says Jennifer Zimmer, Insigniam partner, noting that most are archaic and rooted in the past pay-for-services model. "This makes it difficult and frustrating for patients because a significant touch point in their experience is not user-friendly nor is it value-added for the patient. Innovation is about building a revenue cycle where each touch point enhances the patient experience and shows added value."

Regardless of the geography, tomorrow's revenue cycle must focus on value, especially to keep up with trends such as personalized medicine, says Corinne Le Goff, president of Roche SAS. "In oncology," she explains, "different biologics are often combined for treatment, but, 'how do you bill for it?' We need to have a system that allows for reimbursement in a more personalized way."

All of this begs for new business processes that keep pace with those occurring in science. "We believe it is by bringing the best minds around the table that you find the solution," Le Goff adds, "which includes partnerships with academia."

Alex Gorsky, CEO of Johnson & Johnson, agrees, but cautions, in a March 2013 interview with CNBC, that the way forward will also "involve trade-offs, and participation from all aspects of society. When you think about the aging population, when you think about the demographics … it is hard not to talk about healthcare in the context of the economy and the systemic issue of how we somehow find a way to provide high quality, affordable healthcare in a sustainable way.

"It first starts with 'where do we think the unmet medical needs are going to be?'" he explains. "If you look at the data, it suggests cardiovascular disease, Type 2 diabetes, Alzheimer's — all are going to be cost drivers, particularly in an aging population where there is a higher incidence rate and very high costs are associated with them." Part of the challenge, Gorsky adds, "is being disciplined about where you do — and don't — invest."

Because lifestyle-related conditions are front and center, industry experts around the globe are in agreement that a big part of the solution resides with primary care, integrated with the specialties, to serve the needs of the whole population. In the quest to achieve population health, "it's about hospitals and physicians working together," says Dr. Bradley, with physician leaders taking a major leadership role. She notes, however, that

CRITICAL SUCCESS FACTORS IN HEALTHCARE DRIVING REINVENTION AND INNOVATION, COMPILED BY INSIGNIAM FROM INDUSTRY DATA, INCLUDE:

1. INDISPENSABILITY
2. REINVENT PATIENT EXPERIENCE
3. NEW REVENUE CYCLE
4. DIVERSIFIED, YET INTEGRATED SPECIALIZATION
5. MINDSET OF WELL-BEING
6. NEW HORIZONS
7. EMBEDDED INNOVATION
8. LEVERAGING NEW TECHNOLOGY
9. TRANSFORMATIONAL LEADERSHIP
10. CULTURE OF RESPONSIBILITY AND ACCOUNTABILITY

"there is a lack of understanding on adaptive leadership in both middle and upper management," suggesting that medical and professional leaders alike must sharpen their skills to effectively react to the shifts that are occurring. This includes supporting creativity and innovation within their organizations, as well as developing the interpersonal skills needed to partner effectively with physicians and care providers.

USING TECHNOLOGY TO ENGAGE PATIENTS

Innovative use of technology also is expected to "take care to the people," says Patricia Abbott, R.N., Ph.D., an associate professor at the University of Michigan School of Nursing Office of Global Outreach. Dr. Abbott spoke about the use of wireless technology to engage vulnerable populations at an "Innovations for Global Health" conference hosted by U-M. She referenced her study in inner city Baltimore that monitored heart patients at home using mobile health (mHealth) devices.

"The mHealth intervention used wireless technology with Bluetooth scales and blood pressure cuffs. It also used video telephony (similar to Skype) and touchscreen computing to deliver tailored messages, quizzes, and reminders. Within the computer was a patient-owned personal record, which was incredibly valuable in creating partnerships and engaging patients in their care."

As information technology proliferates, she stresses the importance for the industry to create an interoperable and open digital ecosystem, saying, "Access to, and sharing of, information is a basic tenent for improving health, both in the U.S. and abroad."

This ecosystem includes payers and the private sector, who are innovating rapidly with tools to assist people in monitoring their own health, ultimately driving greater personal responsibility. A big part of driving compliance can be achieved by empathizing with patients, helping them address life issues, and rewarding their successes. "The behavior modification concepts are global," says Joan Kennedy, Cigna vice president, customer health engagement, noting that the industry is leaning toward virtual interventions with incentives built in to reward success, which can include everything from receiving a gift card for completing

CRACKING A WICKED PROBLEM

In their 1973 treatise "Dilemmas in a General Theory of Planning," Rittel and Webber noted that wicked problems have 10 characteristics:

1. **Wicked problems have no definitive formulation.** Formulating the problem and the solution is essentially the same task. Each attempt at creating a solution changes your understanding of the problem.

2. **Wicked problems have no stopping rule.** Since you can't define the problem in any single way, it's difficult to tell when it's resolved. The problem-solving process ends when resources are depleted, stakeholders lose interest, or political realities change.

3. **Solutions to wicked problems are not true-or-false, but good-or-bad.** Since there are no unambiguous criteria for deciding if the problem is resolved, getting all stakeholders to agree that a resolution is "good enough" can be a challenge, but getting to a "good enough" resolution may be the best we can do.

4. **There is no immediate or ultimate test of a solution to a wicked problem.** Since there is no singular description of a wicked problem, and since the very act of intervention has at least the potential to change what we deem to be "the problem," there is no one way to test the success of the proposed resolution.

5. **Every implemented solution to a wicked problem has consequences.** Solutions

a fitness goal, to lower insurance rates. "Our role is to provide the tools and services and give credit when the member does great things."

In this sense, "It is very important that people are responsible for the outcomes of their treatment," says Le Goff. "We need to hear their voice and understand their medical needs. They need to be involved. If we can have a role in integrating the solution, that is a role we can play."

Dr. Glass agrees, noting that the most cost-effective treatments are preventive and don't involve traditional medical care. "Twenty percent of the population still smokes. What can we do to get them to stop? How do we help people with underlying addiction issues? Better treatment of hypertension could bring down the incidence of stroke, including limiting salt. We have to think about incentivizing health interventions as one step forward."

What does a future-perfect picture of success look like? "It's when we've adapted our lifestyles and we say we can't afford to be obese," says Dr. Glass. "We're tracking ourselves to avoid risks and consequences, because we think we have a future."

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to such problems generate waves of consequences, and it's impossible to know, in advance and completely, how these waves will eventually play out.

6 **Wicked problems don't have a well-described set of potential solutions.** Various stakeholders have differing views of acceptable solutions. It's a matter of judgment as to when enough potential solutions have emerged and which should be pursued.

7 **Each wicked problem is essentially unique.** There are no "classes" of solutions that can be applied, a priori, to a specific case. Part of the art of dealing with wicked problems is not assuming any given solution is correct, especially early in the investigation.

8 **Each wicked problem can be considered a symptom of another problem.** A wicked problem is a set of interlocking issues and constraints that change over time, embedded in a dynamic social context. But, more importantly, each proposed resolution of a particular description of "a problem" should be expected to generate its own set of unique problems.

9 **The causes of a wicked problem can be explained in numerous ways.** There are many stakeholders who will have various and changing ideas about what might be a problem, what might be causing it, and how to resolve it. There is no way to sort these different explanations into sets of "correct/incorrect."

10 **The planner (designer) has no right to be wrong.** Scientists are expected to formulate hypotheses, which may or may not be supportable by evidence. Designers don't have such a luxury — they're expected to get things right. People get hurt when planners are "wrong." Yet, there will always be some condition under which planners will make errors.